

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05  
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 STR-05 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02  
SOE-01 OMB-01 DOE-12 /123 W  
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R 192050Z DEC 77  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 3862  
INFO ALL EC CAPITALS  
AMEMBASSY TOKYO  
USMISSION GENEVA

C O N F I D E N T I A L BRUSSELS 18955

USEEC

GENEVA FOR MTN; PARIS FOR OECD

E.O. 11652: GDS  
TAGS: ECON, ETRD, EFIN, JA, US EC  
SUBJECT: EC/JAPAN ECONOMIC TALKS DECEMBER 16

1. COMMISSION OFFICIAL (MEYNELL) GAVE MISSION OFFICER A BRIEFING ON THE TALKS HELD WITH THE JAPANESE MINISTER USHIBA ON DECEMBER 16. MEYNELL CHARACTERIZED DISCUSSIONS AS "PARALLEL" TO THE RECENT US-JAPANESE TALKS IN WASHINGTON. HE INDICATED THAT THE COMMISSION HAD EXPRESSED ITS OPINION THAT THE JAPANESE EIGHT-POINT PACKAGE WAS A STEP IN THE RIGHT DIRECTION AND THAT THE MACRO MEASURES PROPOSED TO STIMULATE THE JAPANESE ECONOMY SHOULD ALSO BE USEFUL. THE COMMISSION STRESSED, HOWEVER, THAT MORE IS NEEDED IN THE WAY OF MEASURES WHICH WILL PRODUCE MORE IMMEDIATE RESULTS IN TURNING AROUND JAPAN'S ENORMOUS TRADE SURPLUS AND THUS HELPING SUSTAIN CREDIBILITY IN  
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EUROPE OF THE LIBERAL TRADING SYSTEM.

2. AS TO SPECIFICS, DURING THE COURSE OF THE CONVERSATIONS PRESIDENT JENKINS AND OTHERS REPORTEDLY SUGGESTED EXAMPLES OF AREAS IN WHICH JAPAN MIGHT TAKE TRADE ACTION OF INTEREST TO THE EC. THESE AREAS INCLUDE FOOTWEAR, CERTAIN CHEMICALS AND PHARMACEUTICALS, MACHINERY, TEXTILES, PRO-

CESSED FOOD PRODUCTS (PORK LUNCHEON MEAT, BISCUITS, AND CONFECTIONERIES) AND AIRCRAFT. IN CONNECTION WITH THE LATTER, MEYNELL SAID THAT PRESIDENT JENKINS HAD "JOKINGLY" REFERRED TO A PROPOSED TARIFF REDUCTION ON FOUR-ENGINE AIRCRAFT AND WONDERED WHAT THE JAPANESE HAD IN MIND FOR TWO-ENGINE AIRCRAFT, SUCH AS THE AIRBUS. SUBSEQUENTLY, A POINT PREVIOUSLY MADE TO THE JAPANESE WAS REITERATED, NAMELY THAT A JAPANESE DECISION TO PURCHASE THE EUROPEAN AIRBUS WOULD MAKE A "DRAMATIC" IMPACT ON PUBLIC OPINION IN EUROPE.

3. REPORTEDLY, USHIBA STATED THAT THE GOVERNMENT OF JAPAN AND JAPANESE INDUSTRIALISTS AND BUSINESSMEN ALL RECOGNIZE THAT JAPAN'S SURPLUS MUST BE REDUCED AND THAT THE MEASURES BEING CONTEMPLATED BY JAPAN ARE INTENDED TO CONTRIBUTE TOWARD THIS GOAL. MEYNELL SAID THAT THE COMMISSION WAS STRUCK BY THE FACT THAT AT SEVERAL TIMES DURING THE DISCUSSIONS, USHIBA MENTIONED THAT THE CURRENT ACCOUNT REDUCTION PROGRAM INVOLVED "EXCEPTIONAL MEASURES" FOR THE COMING JAPANESE FISCAL YEAR AND IMPLIED THAT CERTAIN OF THE MEASURES AT LEAST WOULD NOT BE CONTINUED BEYOND THE NEXT FY.

4. IN ANSWER TO OUR QUESTION, MEYNELL STRESSED THAT IN ITS DISCUSSION OF SPECIFIC TRADE MEASURES, THE COMMISSION HAD NOT SUGGESTED SPECIAL TREATMENT FOR THE EUROPEAN COM-

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MUNITY AND THAT, AS IN THE US EFFORT DURING THE PREVIOUS WEEK, THE OBJECTIVE WAS TO MAKE THE POINT THAT THE JAPANESE SHOULD DO MORE TO REDUCE ITS CURRENT SURPLUS.

5. MEYNELL REPORTED THAT IT WAS AGREED AT THE END OF MEETING THAT THE CONSULTATION PROCESS ON THE JAPANESE PROGRAM WILL CONTINUE BUT NO DATES FOR SUBSEQUENT MEETINGS WERE SET. HINTON

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## Message Attributes

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Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009